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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
DENVER REGIONAL OFFICE
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**DIVISION OF
ENFORCEMENT**

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June 3, 2016

Via Email and Facsimile

Honorable Carol Fox Foelak
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 25049

Re: *In the Matter of Lynn Tilton, et al. (File No. 3-16462)*

Dear Judge Foelak:

Following the Second Circuit's vacatur of its own stay order and in light of the significant delay that has already occurred in this matter, the Division requested a prehearing conference to determine next steps in this case. Respondents have taken the position that, despite the plain language of the Second Circuit's opinion, this matter remains stayed pending the Second Circuit's issuance of the mandate returning jurisdiction over Respondents' federal court action to the District Court. The Division remains of the view that the Second Circuit's decision to lift its own stay was effective immediately.¹

In light of the parties' differing views on the question, however, the U.S. Department of Justice (upon notice to Respondents) has filed a motion on behalf of the Commission in the Second Circuit seeking clarification on whether further action is necessary before the Court's order lifting the stay is effective. The Division will notify this Court of the Second Circuit's response, and will, if appropriate, renew its request for a prehearing conference at that time.

Sincerely,

A handwritten signature in blue ink that reads "Amy Sumner".

Amy A. Sumner
Senior Counsel

¹ On September 17, 2015, the Second Circuit *sua sponte* entered a stay of the administrative proceedings in an order stating "the Securities and Exchange Commission proceedings against Appellants are STAYED *pending further order of this Court.*" (Emphasis in italics supplied). Two days ago, the Second Circuit ordered that "our stay on further proceedings by the SEC is vacated." It is true that the Court's affirmance of the District Court's dismissal for lack of jurisdiction only becomes effective with the issuance of the mandate; but the Court's order to lift its own stay has nothing to do with the District Court's jurisdiction, and therefore does not appear to require the issuance of the mandate to be effective.

Honorable Carol Fox Foelak
June 2, 2016
Page 2

cc via email:
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